



**National Conference of
State Social Security Administrators**

April 2, 2013

The Honorable Diane Black
Chair, Education and Family Benefits Working Group
U.S. House of Representatives
1531 Longworth House Office Building
Washington, DC 20515

The Honorable Danny K. Davis
Vice Chair, Education and Family Benefits Working Group
U.S. House of Representatives
2159 Rayburn House Office Building
Washington, D.C. 20515

RE: Voluntary Medicare Tax Opt-in for State and Local Government Employees

Dear Chairwoman Black and Vice Chair Davis:

I write on behalf of the National Conference of State Social Security Administrators (NCSSSA) to voice our support for the Voluntary Medicare Tax Opt-in Provision that is being proposed (“proposal”) to allow a Voluntary Medicare Opt-in provision for state and local government (public) employees. This proposal represents the needs of our members, but more importantly, of your constituents by closing the Medicare Payroll tax gap while ensuring Medicare coverage can be obtained by those individual public employees who cannot otherwise qualify for the benefit.

NCSSSA was established in 1952 to provide a unified state perspective at the federal level to ensure there is an ongoing mechanism for problem-solving and to maintain an open forum for the development of new policy. Since its formation in 1952, the NCSSSA has worked closely with SSA and IRS to address Social Security/Medicare coverage and employment tax issues raised by state and local governmental employers and State Social Security Administrators throughout the United States. The NCSSSA works with the federal officials to ensure legislative and regulatory changes address state and local concerns. The NCSSSA provides leadership to state and local governments through accurate interpretation of federal laws and regulations, communication of federal tax policy, and resolution of problems arising at the state and local levels. NCSSSA is the only professional organization for the nation’s State Social Security Administrators.

The current proposal recognizes the need of many state and local government employees who desire Medicare coverage, but due to the current statutory framework, are excluded from Medicare-only coverage. This issue has a profound effect on civil servants (most

notably police, firefighters, and school teachers) that is otherwise not found in any other sector of the workforce and must be addressed to avoid significant hardship as those people retire and need the Medicare coverage in the future.

The proposal addresses this issue in the most effective and pragmatic way. NCSSSA supports this proposal because it allows individual employees currently excluded from Medicare-only coverage to voluntarily opt-in via a payroll process and allows for the same tax treatment as those who are self-employed while still ensuring they are clearly treated as employees for all other purposes. It allows maximum flexibility to state and local employers, as the proposal would require the employee to contribute both shares of the Medicare tax; thus, eliminating any potential strain to already stringent state and local government budgets. Furthermore, the proposal protects the Medicare Trust fund by providing additional revenues and does not change the eligibility requirements (number of credits) for coverage.

NCSSSA, therefore, strongly urges the passage of the Voluntary Medicare Tax Opt-in Provision for state and local government employees. Please let me know if I can be of assistance in this matter, my contact information is below.

Sincerely yours,



Angie Dowdy, President (2012-2013)
National Conference of State Social Security Administrators
(225) 342-0295

cc: Ms. Rita Foltman, NCSSSA First Vice-President
Ms. Vandee DeVore, NCSSSA Vice President Designate
Dr. Maryann Motza, NCSSSA Legislative Committee Chair